

Copyright

By

Kyung Joo Choi

2012

The Report Committee for Kyung Joo Choi
Certifies that this is the approved version of the following report:

Analysis of Facebook Message of Automobile Brands in Korean Market

- Focus on 3 Korean domestic and 5 foreign brands -

APPROVED BY
SUPERVISING COMMITTEE:

Supervisor:

Gary B. Wilcox

Patricia A. Stout

Analysis of Facebook Message of Automobile Brands in Korean Market
- Focus on 3 Korean domestic and 5 foreign brands -

by

Kyung Joo Choi, B.A.

Report

Presented to the Faculty of the Graduate School of

The University of Texas at Austin

in Partial Fulfillment

of the Requirements

for the Degree of

Master of Arts

The University of Texas at Austin

December 2012

Abstract

Kyung Joo Choi, M.A.

The University of Texas at Austin, 2012

Supervisor: Gary B. Wilcox

With a strong level of engagement through media, social networks expand communication territory in a manner that traditional media lacks the ability to, with the distinctive features of “participation” and “sharing.” With increasing engagement and penetration, social networks shed light on new channels of communication apart from traditional marketing norms and provide standards of adapting the rising power of their use. Marketing practices of Korean car markets is a typical example of integration of social media because the market contains fierce competition among brands.

A difference in social media marketing appears between brands developing new products series with enough resources to do so and brands with suffering financial difficulties. Utilization of social media, one of the most powerful message delivery tools, is a barometer to estimate effective marketing implementation. Facebook messages conveyed by select automobile companies can be classified and compared to verify differences and commonalities regarding the structure of four brand equity factors raised by David Aaker: awareness, loyalty, quality and associated image. The results revealed that local brands and imported brands have focused on different equity categories and

each brand has a different marketing emphasis. The imported brands are more focused on brand awareness and perceived quality as opposed to Korean local brands and their focus on loyalty. BMW delivers names of individual cars with new technology but Mercedes-Benz advertises their brand heritage in Facebook.

Contents

Chapter 1 Introduction	1
1.1. Report Background.....	1
1.2 Research Method and Analysis Method.....	4
Chapter 2 Brand Marketing.....	6
2.1 Definition of Brand.....	6
2.2 Brand Equity.....	7
2.3 Four Brand Equity Categories of David Aaker.....	8
2.3.1. Brand Awareness.....	8
2.3.2. Perceived Quality.....	10
2.3.3. Brand Loyalty.....	13
2.3.4. Associated Brand Image.....	16
Chapter 3 Social Media.....	17
3.1. Definition of Social Media	17
3.2. Web 2.0 from Web 1.0.....	18
3.3. Impact of Social Media on Marketing.....	20
3.4. Facebook.....	22
3.4.1. What is Facebook?	22
3.4.2. Facebook Marketing and Consumer Behavior.....	24
3.4.3 Social Media Usage in Companies.....	27
3.4.4. Facebook in Korea.....	29

Chapter 4 Korean Car Market-----	32
4.1. Macro Market Situation-----	32
4.2. Global Brands and Market Share in Korea-----	34
4.3. Eight Main Car Brands in Korean Market-----	35
Chapter 5 Research Findings-----	39
5.1. Classification and Analysis-----	39
5.2. Application of 4 Brand Equity Categories-----	41
Chapter 6 Conclusion and Discussion-----	46
References-----	48

Chapter 1 Introduction

Korea ranked the 13th largest economy in the world in 2011. Diversifying consumers needs of a car accompanying the economic growth has led to import foreign cars and, therefore, the automotive market of Korea shows strong competition. In this situation, one of the most effective marketing tool Facebook can take a great role to vehicle strategic marketing messages by the automotive companies. Eight automotive brands including 5 foreign brands in Korean market are selected and their 20 Facebook messages for each brand was collected, classified and analyzed to verify differences in terms of brand equity.

1.1. Report Background

South Korea's population surpassed 50 million people in August of 2012, and the gross national income (GNI) in 2011 was \$ 22,489, which makes Korea the world's 13th largest world economy (kostat.go.kr, 2011). The automotive market is growing and yet being divided by consumer needs diversification; its passenger car sales are one of the world's ten largest market places around the world in terms of sales numbers (WARD'S Automotive Yearbook 2012). The car penetration rate which is defined as total population divided by operating cars is 2.8 persons/ a car (1.3 in US, 1.7 in Japan, United Kingdom, and France). An annual growth trend of the passenger car market has been quite sustainable for last several years (kama.or.kr).

Furthermore, as shown in the cases of other countries, consumers needs diversification usually happens within the GDP \$20,000 range and that diversification of needs causes different types of cars to be demanded, such as foreign-brand cars. The imported car brands originating from Germany and Japan stimulated Korean domestic markets. Import car regulations were eased in 1987 and Korean car importers started to introduce foreign brands around the Seoul Olympics in 1988 (kaida.co.kr). The Korean government abolished the regulation on the importation of foreign cars in 1999.

Connecting with the Korean national distributors, a number of foreign brands began to penetrate the Korean market and increased their market share during 25 years. While the 10-years of the initial market share was less than 1%, the growth rate was steady. Many foreign automobile brands also established direct branches in Korea and started to boost sales activities according to Korea Automobile Importers and Distributors Association (kaida.co.kr).

Finally, foreign brands in the Korean market sold 100,000 units (including car and truck) in a year 2010, achieving an 8 percent market share, and about 150,000 vehicles during 2011. These foreign makers' sales grew more than 15% for past 3 to 4 years on a year by year base (kaida.co.kr). Watching the phenomenal rise of market share, Korea's car mogul, Hyundai and Kia have also achieved the astonishing defense of local market share. Hyundai and Kia launched the flagship brand and brand identity design which reinforced brand awareness and appearance attraction by famous European designers so

that new cars with face lifts grab the eyes of not only domestic consumers but those in other countries as well.

Hexagon-shaped face grill is a defining design feature that represents Hyundai's family identity. Kia has shaped its own design to be symbolized by a tiger's face. It also elicited positive consumer ratings in the domestic market and was still able to continue to remain loyal to the product (hyundai.co.kr, kia.co.kr). Renault-Samsung and Ssangyong Motor have lost market share due to the invasion in the development of new vehicles and the fierce market competition. They struggle to maintain the market share with their best effort by not only improving the quality of the product but propositioning new brand-led designs of the vehicles themselves. By this token, the brand marketing activities ignited creative ideas to convey new messages and encourage consumers to conduct trial uses of the cars. The established brand experience opportunities are to try and to extend the brand equity through this process. Changes in the media environment inevitably brought changes in marketing activities.

The changes in media environment are integrated by a word, Web 2.0. Web 2.0 is represented by consumer participation and sharing, and a collective consumption paradigm that signifies change through social media networks. Emerging as one of the most important brand communication vehicle, the social network service or SNS is extremely essential for direct communication with consumers within the participation and sharing media ecology. In this sense, when compared to traditional media, successful and

effective use of social media is as powerful as to take advantage of the cars physical features.

Participation and sharing of information through interactive media is symbolic and changing just like evolution and is as powerful as to produce superior quality products. Each brand tries to take the competitive edge within social media marketing because of the fierce competition. In this point of view, social media marketing especially in Facebook has significant meanings. Facebook messages of eight key car brands in the Korean market was selected and analyzed. Questions to be answered are: What type of message was conveyed and how did they convey it? Are these messages focusing on a specific brand equity category which is defined by David Aaker (1997)? Are the messages generated by competing car brands different because of their brand development phases or due to market differences? Based on the classification and analysis, significance of marketing meaning and implications for the carmakers marketing in Facebook are discovered.

1.2. Research and Analysis Method

The research target brands are Hyundai, Renault-Samsung, Ssangyong (3 Korean brands), BMW, Mercedes-Benz, Volkswagen (3 major German brands), Toyota (Japan) and Ford (US). All are being sold in the Korean automotive market, and all are positively implementing Facebook marketing. During the period of the time from September 15 to October 15 2012 the Facebook messages of the 8 brands are selected. The messages conveyed in the given period were classified and compared. Those messages are also

divided by the four brand equity categories which were proposed by David Aaker (1998), brand awareness, brand loyalty, perceived quality, and brand associated image. In many cases, the brand messages cannot be clearly distinctive or classified into one of the four categories, but overall brand's focus can be identified according to his definition.

Chapter 2 Brand Marketing

2.1. Definition of Brand

The origin of the word brand started from an ancient Norwegian word “Brandr” but it is not clear. A hot iron expressing owners’ symbols on the ox or horse's buttocks metaphorically accounts for the brand definition in the modern era. The American Marketing Association defined that the brand is a product or service name, symbol, design or a combination of them in order to distinguish a product or service from competitors (AMA, 1988). Marketing guru, Philip Kotler defined brand as a name, signal, symbol, design or combination of them to distinguish a product or service from that of competitors (Kotler, 2003). Interbrand stated that a brand is a mixture of attributes, tangible and intangible, symbolized, in a trademark and if managed properly, creates value and influence (Interbrand). David Aaker also stated that a brand is a particular name containing symbols such as logos, trademarks, and unique package design in order to notify and differentiate a product or service from that of competitors by a seller or seller groups (Aaker, 1991).

The idea of a brand today has become more important and constitutes anything like product, company, personality, community and even countries. In a developed and industrialized society, production technology is leveled off and shared by brand owners in a same industry by the name of OEM or outsourcing. Therefore, product features of the brands in the category are almost the same. Therefore, they differentiate their product or services with psychologically manipulated differences. It is also an immensely

powerful motivation for consumers to choose a product on the assessment of brands such as names or symbols.

Consumers, furthermore, also enjoy psychological differences by consumption of a brand which provides distinctive difference not in benefit by using, but in showing off by owning. Levi's Jeans conveys historical legitimacy of the frontier spirit, symbolized by the Western era atmosphere of California, US, but the True Religion brand emphasizes its personality as a tool to complete a more beautiful and sexier body fit. The concept of a brand can be defined in various different ways but in this study, the concept of brand is limited to a name, a symbol, a logo and/or combination of them used to differentiate a product or service from competitors.

2.2. Brand Equity

Revin Keller (1993) saw the concept of brand equity in terms of consumers who come in contact with, use and experience the product. He created the brand equity concept in the consumer's perception by notions of brand awareness like recall, recognition and branded imagery such as remembering the brand name, logo or images occurring in mind with visualized factors. A brand can differentiate from others by the associated marketing mix activities. He also claimed that this equity differentiated the brand and enables the brand to get effectiveness.

The Marketing Science Institute (1989) stated that brand equity is tangible and intangible surplus benefit such as selling more product/service, getting more margin, impressing stronger differentiated images and indoctrinated stronger brand image rather than when brand name is not attached. The Maclachlan and Mulhern (1990) delineated brand equity from three perspectives, in the business perspective; brand equity when surplus cash flows in to the company, in the distribution point of view; getting exceeded power to manage market entry and bargaining power, and from a consumers point of view; it can have intangible attributes that are beyond the tangible product attributes. David Aaker (1996), in his book, “building a strong brand,” argued that the brand equity is a set of assets and liabilities linked to a brand name and symbol that adds to, or subtracts from, the value provided by a product or service to a firm and/or that firm's customers. This is comprised of four main categories and is presented as brand name recognition, brand loyalty, perceived quality, and brand association images.

2.3. Four Brand Equity Categories of David Aaker

2.3.1. Brand awareness

Brand awareness refers to the extent that consumers remember a brand name in their minds. Brand awareness can be measured in several ways. In measurement methods, the most widely used measurement is identifying the “top of mind”, “unaided recall”, and “aided recognition”. “Top of mind” (TOM) refers to the measure of what is the brand name occurring in their mind first when they are asked to think of a certain product category.

The more frequently mentioned brand name in their mind, the stronger top of mind share it has. It means also that the brand firstly comes to their mind can be recalled when they purchase a product. Brand names all coming to mind comprise the unaided brand recall when they are asked to purchase a product without any clue or support. Aided recognition is to what extent consumer remembers a brand when consumers are supported by some clues such as product package, visuals or advertising messages. The top of mind measure the brands position in the market and also and how strongly the brand name is retrieved in consumers mind. Therefore, TOM is crucial to brand management to be a dominant brand. TOM share and market share are highly correlated, which represents real market share reflects consumer mind share when the market is open to free and fair competition.

Aided recognition is also meaningful because when consumers go to the market place, there are many clues such as product package, signage and other point of sale materials. The fact that the consumers remember the exact benefits of the product by seeing packaging is often one of the direct objectives of advertising campaigns. Brand name awareness can be measured in several ways, depending on the degree of brand name recalls, unaided awareness and aided awareness. When it comes to buying behavior, consumers already have several brand names in their mind. Products in the consumer's head usually are limited to 3-5 brand names in the “consideration set,” then those brands can be seriously assessed in the process of buying.

Aided awareness measures how much consumers remember from past exposure, a certain brand memory. Aided awareness implies a cognitive intimacy about the brand. Aided awareness doesn't mean to measure how a brand is different from the other. This measurement is a direct objective in many advertising plans because the primary goal of advertising for most brands is to put the brand name in consumers' cognition, which is the first step to achieve the final goal to win the awareness of top of mind position. It is an extremely fundamental objective in an advertising campaign that consumers are supposed to remember product benefit with brand name when they are stimulated by advertising clues such as messages, visuals, music etc. Psychological studies on the effects of advertising have revealed that people can feel familiarity about a product easily if they have heard of a brand name. And they prefer that brand to a brand they haven't ever heard. It also induces them to choose the brand they heard instead they don't know.

2.3.2. Perceived Quality

For the purposes of the present study, perceived quality is a quality assessment of a given product or service by consumers after the direct or indirect experience of them. Zeithaml (1988) defined perceived quality as the customers' subjective judgment about the excellence of the product, while Aaker (1996) said it is customers' perception on the overall quality and excellence of a product or service in the context of the originally intended purpose. Perceived quality is a fragmentary but representative measure in brand equity assessment. It is a foundational element of perceiving brand reputation amongst

many brands in a class and the most representative value of the brand as an asset.

Many market-dominant brands have a great reputation of product quality, because good quality is the most fundamental requirement to become a big brand. Having emerged from decades of a low-cost brand image in the U.S. market, Hyundai, as the fastest growing car brand in the U.S., has established a good-quality brand image in the U.S. market. They sold cheap-image products for decades; however, when they began changing their strategy to become a big brand, their first step was constant product quality improvement and building customer awareness of this by external agencies' voices, such as the JD Power's quality report. Consumers' recognition of excellent quality is linked to long-term financial performance. The quality that consumers perceive is strongly associated with other image elements and led to the overall image of the brand being drastically elevated. It is a complex undertaking to demonstrate the impact of perceived brand quality on brand reputation and a company's financial performance.

However, numerous researchers have demonstrated that the effect of perceived quality is very strong in this context (Powell, 2006). Audi is another illustrative example. Audi, a joint venture of several German small- and medium-sized car enterprises, initially suffered from a reputation for poor quality. In large part, this was because Audi was far behind Mercedes-Benz and BMW in quality; however, the effort of long years and gradual improvement changed its image from one of low-priced products to one of high-price, high-quality products. Thus, they gradually emerged as a good brand. Today, Audi

is one of the “Big Three” German luxury brands, becoming the most popular car in the European continent in 2005, then globally in 2006.

Perceived quality is an important core strategy. In many organizations, it has been applied as a key strategic variable. Such organizations have been involved in the enterprise-wide quality management movement, with customer satisfaction being the ultimate goal. Such programs are also known as “goal-oriented quality control” or “total quality management” programs. In this strategy, companies strive to meet the standards of quality desired by consumers because the consumer's fundamental values or ideology can elevate their own quality standards.

-A survey of competitive advantage for many businesses showed that the most common and important source of competition is superior product quality as perceived by consumers (Powell, 2006).

This implies that the quality of products based on consumer's perception is important not only in terms of how the company operates internally but also how it performs in the context of the market as a whole. Further, many brands position themselves differently, actively defining the competitive environment in the market.

Some brands position themselves as low-cost brands, and other position themselves as high-end or luxury brands. The difference in such positioning often has a significant impact on brand image. After identifying that quality is directly related to corporate

profits and competitiveness, many companies have focused on strengthening their competitiveness in terms of quality. They recognize the importance of quality elements to the company's overall strategy. They start to see quality as an important policy of sustainable management, company-wide cost savings, productivity improvements and corporate profitability.

However, the goal of improving quality is often an empty gesture in the context of consumers' perceptions because companies implement improvement of quality not in connection with the strategy of the entire enterprise, but in the field of production practices alone. Such activity is not aligned with the company's broader strategy for the following reasons. First, it does not promote the management of the company. Their managerial performance is judged by quarterly or yearly profit performance—in other words, how cost effective production is and how high the profit margins. Another reason why the outcome of the innovation in quality improvement is not stable is because the output does not appeal greatly to the stockholders, who are generally more concerned with short term effects than long-term improvements. Perceived quality is not the only important criterion for a brand to become the leader in its field, but it is a crucial element in achieving this goal.

2.3.3. Brand Loyalty

Aaker defined brand loyalty as having a strong preference toward a brand and maintaining a relationship with that brand based on that preference. The intention to keep

the relationship is the touchstone of maintaining brand loyalty (Aaker, 1996). A consumer having loyalty to a brand results in repeat purchases and resistance to shifting to another brand. Loyalty and support from consumers are basic factors to impose values of the brand because loyalty lead to greater profit and support allows the brand to extend to other products and services. As a matter of fact, brands without consumer loyalty are very vulnerable to attack from competitors and are most likely forced to compensate by lowering prices of products and services. Loyalty management and creation is crucial because the cost to win a new customer is arguably at least five times more expensive than that of keeping an existing customer. Loyalty segmentation provides strategic insights to acquire many customers and to build a stronger brand. Customers generally can be divided as follows, depending on their loyalty.

- Non-customers: customers who do not purchase our brand or a competitor's brand
- Price switchers: very sensitive to price, they can change brand on the basis of price
- Fence sitter: people who purchase two or more brands
- Passive loyal group: people who buy a brand habitually
- The committed: customers who have a strong loyalty to a brand

The key here is to improve the profile of the brand loyalty. To increase the number of customers who are not sensitive to price and to promote brand recognition, brand managers create customized loyalty programs for each group. Companies tend to take the habitual buying group as a natural in brand management. However, companies should

carefully segment this group and manage to prevent the group from shifting to other brands. Customizing products for each minor group and narrowing the distribution gap can hold various product portfolios and extensive distribution channels, though such methods are not cost-effective. For example, luxury products must meet the required assortment by, for example, size or color, to suit all tastes. To hold a proper analysis of how to expand the product line and channel, companies should consider the influence on buying behavior of the habitual buying group.

The committed group or other loyal groups are often ignored in loyalty management policies. However, firms have opportunity for this group to spin out further business. Moreover, this loyal group can shift to another competitor brand if they are not satisfied, though they are reluctant to change brands. Once they have shifted, it causes serious damage to the brand. For this reason, companies spend more effort on maintaining this loyal group. One approach for the loyal group and the fence sitting group to increase loyalties is to develop or strengthen their relationship.

Clear brand identity and product quality will contribute to these goals. However, a way to increase brand loyalty more directly is through various loyalty management marketing programs, such as a mileage program. A loyalty program can help companies create customer loyalty and strengthen the value of the brand. However, an obvious fact is that customers' loyalty is not automatically created. Apple Computer members are awarded with invitation to various events, as well as being invited to express their

opinion about Apple computers, which provide support and assistance. Customer data also can be utilized to market information about special promotions or new products.

2.3.4. Associated Brand Image

Associated brand images include all kinds of tangible and intangible images, such as logotypes, symbols, or endorsements that evoke a memory of brand experience.

This image is one of most important brand equities, and it is a direct trigger to evoke brand name recall or recognition. All kind of things such as product features, advertising campaign models, specialized building, and time or spatial symbols can be included. The reason that the organization wants to symbolize itself in the consumer mind by building brand identity is to encourage consumers to have strong, positive associated images about the brand or company. Those images can be extensively remembered and recalled because an image is easier to remember than a name or phrase. Marketers often tend to advertise product properties or visible features or visualize functional benefits; this is a mistake that marketers often commit. Marketers should move away from these primary functional benefits frames to brand related imagery, because the functional advantage of the advanced characteristics can be easily matched or surpassed by competitors due the advances in production technology.

Chapter 3 Social Media

3.1. Definition of Social Media

The term “social media” was first used by Chris Shipley, the founder of Guidewire Group. Social media is defined as the online platform and tools that people use to share opinions and experiences, including photos, videos, music, insights, and other perceptions with each other (Turban et al., 2008). According to Scott (2011), “social media provide the way people share ideas, content, thoughts and relationships online.” According to Kaplan and Haenlein (2010), social media is “a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0 and that allow to create and exchange user-generated contents.” Overall, social media is defined as web-based applications that allow the creation and exchange of user-generated content (Boyd and Ellison, 2007). Another definition is that Web-based services that allow individuals to 1) construct a public or semi-public profile within a bounded system, 2) articulate a list of other users with whom they share a connection, and 3) view and traverse their list of connections and those made by others (Boyd, 2005; 2007). Facebook, Twitter, and YouTube are all examples of social media websites that utilize social networking with two-way communication.

Wikipedia defines societal media as a sort of media where people participate and share information bi-directionally, and make personal or other networks of contacts. Characterized by growing like a kind of organism, formed with the participation of members, social media does not generally apply the concept of traditional media

production and consumption. Rather, people distribute and share a variety of experiences, ideas, and perspectives, and routinely watch a variety of information on the web based on line; this information is consumed and added to, forming a reproductive information cycle. The main features of social media are as follow:

- Participation: social media enhance all participants' opinion and feedback.
- Openness: all information of feedback and participation are open to everybody in the web.
- Collectivity: all participants can share their knowledge, know-how, and experience, and those can be elements of a large collection of knowledge or information.
- Community: people can express their interests and find peers easily, so they can make a community based on their common features.
- Connection: most social media have a great connection each other and flourish on those connections.

3.2. Web 2.0 from Web 1.0

According to Dale Dougherty (2005), the Web 2.0 represents a new era involves openness, participation, sharing, and co-production, which mean the collective production of information as an important new definitive basis. Unlike Web1.0, this era makes the majority of the public engaged to the new social and cultural paradigm shift, based on the newly developed technologies. In the Web 1.0 era, the efficient delivery of

information was difficult. How quickly can one upload or download files without error were key concerns. Efficiency was the most important criterion, with companies, accordingly, focused on maximizing efficiency. The Web 2.0 era differs from the Web 1.0 as follows:

- The platform in Web 2.0 is more interactive and dynamic compared to Web 1.0. It is more people oriented than technology oriented.
- Construction of application is more oriented toward openness and based on standards, while Web 1.0 is exclusive and closed.
- Information production method is also different. Anyone can be a voluntary publisher and creator of information as they log on; however, in Web1.0, people could just surf and browse the information.
- Information flow is bottom-up in Web 2.0; therefore, people can combine to force societal change. On the other hand, people passively accept information in the top-down Web 1.0 model.

Fire, Millward, and Brown (millwardbrown.com) investigated brand perceptions in social media, showing how effectively a brand shapes brand perception in consumers' minds and promotes desirable behavior. Their study stressed nine marketing principles to promote brand perception in social media:

1. Act like a friend rather than a corporation (interact)

2. Build relationship with consumers instead of “selling” to them (engage)
3. Think “community” rather than “marketplace” (be personable) (Hernandes,2010)
4. Ensure suitability of network platforms
5. Use platforms to engage and encourage feedback
6. Combine internet and traditional promotional tools to engage customers through, for instance, rewards schemes or contests
7. Provide information
8. Be outrageous
9. Provide exclusivity through special offers

In this process, the marketing standards of the traditional seller should adapt to a new social media way of being a helper, a supporter, a dialogue participant, and a valuable information provider. As illustrated in the interactive advertising model (Rodgers and Thorson, 2000), consumers have a great power to uncover negative information on the product producer by screening the initial stage of the information process.

3.3. Impact of Social Media on Marketing

Social media is rapidly growing in significance in people’s daily life, and people are increasingly able to talk about products, services, and brands. Social media is a good tool to recommend a brand to friends, who can then do the same to another friend, and so on. Social media has a strong recommendation power and influences prospective consumers’ attitudes toward the recommended product. However, sometimes it can cause

a serious counter effect. When a bad rumor about a product or brand is started only by very small group of people, social media can spread that rumor “virally,” to the serious detriment to the targeted service, product, and/or brand.

Social media are web-related communication service in which people can talk, share information, and make new relationships (Carlsson, 2010). Carlsson said that the most important role of social media on brand marketing is to build up brand relationship, opening up various dialogues and building trust between sellers and buyers. Social networking media, where people express opinions and maintain virtual relationships, have the potential to grow in their influence. By the end of October 2012, approximately 150 million Americans used Facebook. It has been estimated that the use of social media, including all social networking sites, takes up the majority of time American internet surfers spend online (facebook, 2012). Furthermore, users of social media are highly motivated consumers, active in buying or at least getting some information about a product they want to buy. As illustrated by Nielsen’s third quarter 2011 *State of the Media*, seventy percent of social media users were regularly involved in brand-related conversations. The use of social net working media by businesses for marketing purposes is no longer a highly recommended activity; increasingly, it is seen as a necessity (burson-masteller.com).

These social sites attract individuals with similar interests, or pre-existing relationships (e.g., friends) that connect with each other on these sites. Marketing to these sites can take multiple forms but generally follow the same principles. The Facebook

marketing model, in particular, involves replacing the concept of a human “friend” with a brand or tangible product (facebook, 2011). A user who elects to “like” a product or company advertises that product or company to their own private network of contacts. Yohannes and Collin (2012) showed the implementation four sequential phases in social media marketing: preparation, content, implementation, and evaluation. In the preparation phase, the company must set up a brand identity and empower all employees to be brand ambassadors. In the content phase, the brand identity should be elaborated with good content for users of social network services, which should then be deployed effectively in the context of the channel. In the evaluation process, qualitative and quantitative measurement should be conducted to assess the objectives.

3.4. Facebook

3.4.1. What Is Facebook?

Facebook is the largest online community. Facebook (Ellison, Steinfield, and Lampe, 2007) is an internet-based networking service through which people can add to their existing social relations of friends. It helps to make human interrelationships by allowing users to upload emotions by texts, photos, and video footage and share those emotions. Mark Zuckerberg, a Harvard university student, started the service with the name of “Facemash” in 2003, which developed into Facebook. Following exclusivity to students from several Ivy League universities, Facebook opened to anybody aged over 13.

Facebook currently has over one billion users (as of November 2012) around the world (socialbakers.com, Nov 2012). Users can make friends with strangers through the “making friends” function, a networking generator. In other words, to create and maintain many social networks is a key feature of Facebook. By entering a date of birth, gender, name and e-mail address, you can configure your own Facebook account. Facebook for individuals is comprised of a personal profile, personal page, and group services types. In the profile, people can invite a stranger to be a friend. Users can have up to 5,000 friends, who can share text, photos, and videos. The personal page is for companies or organizations, and the page can be managed by a representative. Contents displayed in the page can be shared by the public; by clicking the “Like” button, people can become fans of the page. A Facebook “page “can use a variety of applications developed by users and communication; these are defining characteristics of an open platform and an open way of sharing information.

In May, 2007, Facebook opened the platform for Facebook applications to outside developers. External developers created a structure of the Facebook platform that allows them to earn money. Due to this policy, more than 500,000 applications had been developed by early 2010, including from a variety movie promoters and games services. Facebook outside developers can capitalize on the platform to provide for consumers through a wide variety of applications by utilizing the characteristics of openness and sharing.

These positive functions of the Facebook ecosystems can be said to be the social-economic characteristics of the structure. Consumers have the ability to choose a variety of content that comes from a number of outside developers, rather than receiving services offered exclusively by Facebook, and Facebook “users” can include profitable business development companies. The Facebook shopping mall is one of the applications developed through this open platform system. A Facebook “group” allows community formation of small divided groups that can be public, private, or secret, depending on the choices of group administrators or members.

Recently in some parts of the United States, some companies have raised questions about the effectiveness of advertising on Facebook and declared they will not place adverts on the Facebook until reliable effectiveness metrics are published (nyt.com). Even if the turnover of Facebook slowed in 2011, many users still express loyalty to the Facebook service. More than one billion people use Facebook, and its power as a marketing tool is undeniably significant given the number of subscribers.

3.4.2. Facebook Marketing and Consumer Behavior

The role and importance of social media in building up brand equity is clearly significant. The start of the multimedia age, due mainly to the fast Internet and cutting edge communication technology, means that many changes in marketing are required, in its roles, forms, and processes. The power of one-dimensional advertising appealing to

consumers' cognition through message narration and copies in print advertising has been fading out, and image advertising based on glamorous visualization come front and center on the advertising stage. This is due to advanced printing technology and true-color TV technology as well as the Internet. Furthermore, the Internet and mobile technology are going beyond the new paradigm in offering an unprecedented range of media access.

A Korean singer, PSY, with his song "Gangnam style" is a great example of this phenomenon. No one promoted or advertised on the Internet, but the song soon reached international fame, mainly through Internet-based communication technology combined with the unique song and dance. In the name of popular culture, his dance (so-called "cowboy dance") successfully fused Oriental and Western culture and humor. YouTube amplified this impact, causing the song to go viral and rapidly spread to a global audience.

In the Web 2.0 era, consumers of public information are not merely consumers, but can add to the development of the item being consumed; this is called collective production. They can transform a piece of general information into fame (or infamy) through the use of "likes" or "dislikes." The confirmed internet web taxonomy or structured information matrix established by Internet database technicians in Web 1.0 was not conducive to collective production. However, the new wave of mobile internet technology will further fuel the spread of information in the collective production style.

Another co-production element of behavior is emerging here. Being slow to react to the rapidly changing Web 2.0, companies' marketing communication has suffered in the age of social networking due to the rapidly changing powers and characteristics of consumers. The biggest change has been that the goal of company's communication has become a multilateral delivery of information through participation and production environment.

Unlike the traditional media of newspapers or TV with one-way communication, social media should try to respect the consumers' right to truth in order to induce a candid conversation. In the age of Web 2.0, the most effective buying motives are those driven by an evaluation of group of colleagues or acquaintances about a product (facebook.com). Relaying these vivid and (from the viewers' perspective) reliable experiences has a tremendous influence to new buyers in terms of whether or not they buy a product. Product producers are unavoidably peripheral in this phenomenon. If a product has a problem, then social media share that information, and consumers know first and the information can be reproduced. One example of this was the rampant consternation at the BP Gulf of Mexico oil spill in 2010, which resulted in a tremendous negative impact on the BP brand. People watched the minutely updated news and updated their own opinion on the social media, which led to a huge amount of anger toward BP. Similarly, a confectionary company, having almost forty years' history, narrowly avoided company closure because one of its products containing foreign bodies was pictured on Facebook and Twitter.

3.4.3. Social Media Usage in Companies

Any company can create a Facebook page for their organization, and many companies have already done so. The Nielsen Social Media Report (2009) found that 53% of social media users follow a brand (blog.nielsen.com, 2009). A growing number of companies have utilized social media to deliver promotional messages interactively as a way to increase communication with customers. Thirty-two percent of U.S companies do retwitter or re-answer to private users' questions. On average, companies upload 27 tweets a week, 10 videos in YouTube, and seven messages in their company blogs (blog.nielsen.com, 2009). It is ideal for businesses operating for the companies based on listening to the voice of the customer and their complaints or requirements so that the company can address them instantly. Customers' expectations of companies are increasingly demanding, so companies' success depends on how well they meet these expectations. Thus, presence on social media has become a source of corporate competitiveness. In conventional media it was impossible for every customer to be heard by the companies—thus, social media have got the limelight as they actually allow the kind of micro-communication that was previously not possible.

Burson Marsteller of the Asia-Pacific region studied a Social Media Use Survey in order to understand the relationship companies and social media usage (burson-marsteller.com). The Asian companies use social media vigorously as a communication channel with consumers, using social media. However, as expansion of companies leads

to orientation toward global markets, they will increase in use of globalized social media, such as Facebook and Twitter. In addition, these companies are not only collecting information of customers, but also actively providing or manipulating information flows.

For example, four famous bloggers who have a strong influence around world because of their followers were invited to the Dolce and Gabanna fashion show (fashionologie.com). What they saw and felt at the fashion show were uploaded and shared, resonating hugely with their followers. As this case illustrates, companies can convert dry internal information into compelling story-telling through savvy use of social media. Through this communication, companies actively open and share corporate information and they give the signal that they want to communicate with customers voluntarily. Therefore, they can reduce the psychological distance between the company and consumer.

Companies have always wanted to understand their customers at all times. Companies spend a large proportion of their budgets on market research. However, with conventional research, companies face serious difficulties in identifying and understanding customers because customers often hide their real intentions in market research environments. However, social media provide natural environments in which customers are more likely to reveal their real intentions. By using this option for research, companies can save a lot of money otherwise spent on traditional market research.

Sometime, companies worry about the rapid diffusion of power on social media, so they are reluctant to actively engage with social media. However, with this reluctance, the companies often miss something more important. Whatever the companies like to use social media or not, the bad rumors can spread through the social media, and companies can get more damage than if they are proactive in tackling the rumors. Companies leverage social media as their pivotal marketing tool to build up a positive community on the web with sincere contact with consumers, hopefully, making the customers one big family group. This is the ultimate goal of social media. Auto industry, one of typical high involvement categories, has used referral marketing in which Facebook has great strength now.

3.4.4. Facebook in Korea

The number of Facebook subscribers in Korea passed 10 million in October 2012. Twitter, securing more than 500 million global subscribers, has more than five million domestic subscribers in Korea. Social media services are gaining greater influence (socialbakers.com).

As can be seen from the number of subscribers, the influence of Facebook and Twitter is powerful because of the enormous amount of information that is produced from these social media. Major domestic companies actively cultivate SNS marketing on Facebook, which is the most social media venue at present. Facebook advertising business models in the domestic markets Facebook serves is set to embark in a fully-fledged revenue generation model.

Korean companies actively use Facebook and operate more aggressively than any other country in Asia. The Facebook “page” is the most actively developed feature by Korean companies. Korea companies are the most aggressive users of social media for corporate communications and marketing. Again, 70% of Korean companies link their social network channels with their corporate homepages (Burson Mastella, 2011); 67.5% of the social network service adopters leverage the SNS providers to improve businesses’ communication and relationships with customers as a prime purpose. Facebook is the most important medium amongst social media services in Korea—90.8% of all enterprises use Facebook, and 77.5% use Twitter. The majority of companies utilize multiple channels for social communication, and only 12.5% use only Facebook ; 3.3% and 2.5% use only blogs and Twitter, respectively (KPR Social Communication Institute, 2012).

Though Facebook has been available since 2004, the SNS service was not active in Korea until 2007. Consumers are no longer passive recipients of the messages manipulated by companies due to the power of collective intelligence which is the aggregate of individuals’ intelligence. No matter how carefully the companies create communication messages, consumers have arbitrary interpretations, which they can now share and proliferate. Moreover, the conversation of the crowd will be amplified whether it is good or bad. In this regard, the reputation of a brand has moved away from slowly increasing or decreasing sales toward having a fast, powerful effect on the survival of the enterprise. More thorough risk management and SNS message control systems are

necessary to ensure that a company survives and thrives in the modern media environment.

Chapter 4 Korean Car Market

4.1. Macro Market Situation

Distributors of passenger cars sell about one million cars each year in the Korean market, and it is a very important market for global car makers because the Korean market size is ranked at 10~13 globally in terms of its passenger car sales (WARD'S Automotive Yearbook, 2011). As the Korea–US free trade agreement (FTA) was agreed in March 2012, the tariffs imposed on imported cars to South Korea from the United States will gradually decline within the next five years. Not only U.S. carmakers such as GM and Ford but any other car brands produced from factories in US territories can be imported with cheaper prices. As the price of European-made cars has been gradually lowering under the Korea-EU FTA, cars imported from US will fuel the “price war” in the Korean market. The price war has already been started by Toyota, which has been suffering serious financial problem globally because of aftermath of the nuclear accident, huge recall events in US, and the increasing value of the Yen. They lowered the prices of their Lexus and Toyota lines by about \$ 3,000 to \$5,000 in various models. This move was mirrored by BMW (kaida.co.kr).

Local brands have suffered serious damage from foreign brands' expansion. First, foreign brands lower prices on every model; second, they expand product portfolios down to the entry levels which are traditionally the territory of local brands. Lastly the Won–Dollar exchange rates are disadvantageous to Korean brands. Each brand in South Korea is at a very different phase of development in the automotive market. In marketing,

Korean domestic brands, Hyundai, Kia, Ssangyong, and Renault-Samsung have established brand awareness, product quality, personality and loyalty programs, and that information has been well recognized (koreahelard.com).

However, the case of the newly introduced foreign brands is notably different. Mercedes-Benz and MBW brands aware brand names and have higher reputation than other imported cars. Even if their brand information regarding quality, service systems, etc., can get abreast of Korean makers, they can easily surpass other imported brands. Volkswagen's and Ford's consumer perceptions are not shaped fully because they have had relatively short periods of history in Korea. Consumers' perception of Ford is poor because of a reputation led by low product quality and associated production practices. Table 1 highlights sales dynamics of brands.

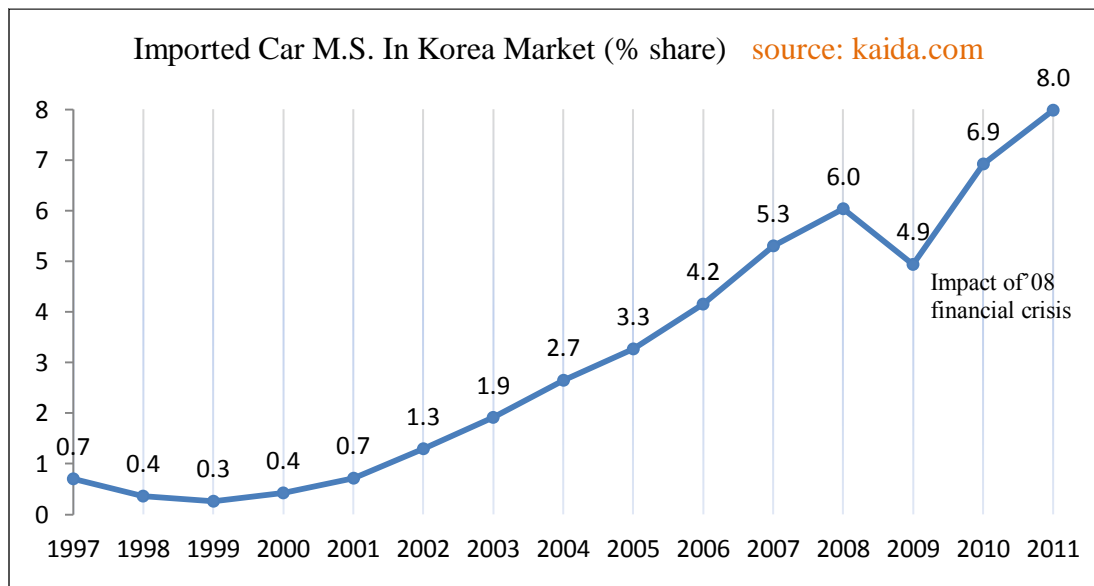
[Table 1]

Global Car Sales by Countries in 2011		
Source: WARD'S Automotive Yearbook		
Country	No. of Cars Sold	
China	10,052,854	passenger car only
US	6,089,422	(exclude trucks and buses)
Japan	4,212,266	
Germany	3,173,634	
Russia	2,653,408	*include Light truck
Braisil	2,649,032	
France	2,204,229	
India	1,950,363	
UK	1,942,995	
Italy	1,748,143	
Korea	1,030,630	

4.2. Global Brands and Market Share in Korea

According to Korea Automobile Importers and Distributors Association (KAIDA), the Korean car market was ranked around 10th among countries around the world in terms of passenger car sales. The number of car sold last year in Korean domestic market is 1,030,000 units. Despite the aftermath of the financial crisis since 2008, the number of imported car sales in Korea has shown steady growth from 2001 to 2011. The share in the market hit about 8% last year (kaida.com).

[Table 2]



4.3. Eight Main Car Brands in Korean Market

Hyundai

Hyundai started business in 1967 and made the first passenger car in 1976. They established an American branch in 1985. They set up technology institutes in Alabama, U.S., in 2005, and were the fastest growing car brand, becoming the 4th-ranked car band in the world. Exporting 10,000,000 units, Hyundai expanded their sales coverage to China, India and south Amercia etc. They have 41% of the Korean passenger car market, with sales of 420,000 in 2011 (brand homepage and WARD's Automotive Yearbook 2012).

Renault-Samsung

Renault-Samsung began in 2000 as a merger of the Renault group and Samsung Motors. Their production exceeded 100,000 units based on the excellent quality in May 2000, and had a strong market share in their short company history. Export to China began in 2009. They have three main series of model: SM3, SM5, and SM7. Since neglecting to invest into the development of new modelcoping with the rapid progress of modern cars and imported brands expansion, they have experienced decline in marketshare in recent years. Last year, they had overall market share of 10% (about 100,000 sales volumes) in Korea (brand homepage and WARD's Automotive Yearbook 2012).

Ssangyong

Ssangyong started in 1954 in Korea. In 1986, the Ssangyong group acquired shares of Donga Motors and started management of this car brand. In 2010, Ssangyong and Mahindra signed a definitive agreement. Ssangyong motor company has launched mainly SUVs, with the exception of a luxury sedan, the Chairman. They have five SUV brands and a sedan brand. They took 1.4% market share (with sales of about 15,000 units) in 2011 (brand homepage, WARD's Automotive Yearbook 2012).

BMW Korea

BMW Korea was established with 100% of the investment from BMW Germany in 1995, initiating the foreign car brand in Korea. The models of Mini and Rolls-Royce (including X1, X3, X5, and X7 series) provide a diversified product choice. They are running 33 product showrooms and 29 repair centers, in addition to the logistics centers and financial service force. With arguably the strongest marketing activities, they sold a total of 27,000 cars in 2011, which accounts for 2.68% of market share in number of 28,000 units sold (brand homepage and WARD's Automotive Yearbook 2012).

Mercedes-Benz Korea

Hansung, a Korean-born dealer, started importing Mercedes-Benzs from 1987. In 2002, a Mercedes-Benz Korea branch was established and began to sell directly. Maybach began to sell in 2004. They have product portfolio of B, C, E, M, S, SLK GLK, CLS, and AMG, with a total of 47 kinds of different vehicles available. 30 service centers

and 34 vehicle showrooms are operated. The sales volume in the Korean market last year was about 20,000 at 1.9% market share (brand homepage and WARD's Automotive Yearbook 2012).

Volkswagen Korea

Open to the imports of the first year of 1987, Hyosung Corporation started to import in 1987. May 2011, Volkswagen Korea, as a Korean branch of Europe's largest carmaker, started business with a variety of models, including four-door Coupe CC, Luxury SUV Tuareck, Passat, Tiguan, Jetta, Golf, Golf Cabriolet, Scirocco and Paton. Volkswagen Korea has 19 service centers nationwide, and eight show rooms with a domestic dealer network. In 2011, total sales accounted for a 1.2% market share with 12,000 sales (brand homepage and WARD's Automotive Yearbook 2012).

Toyota Korea

TTKorea began sales on behalf of Lexus vehicles in 1998. Toyota Motor Korea established by the Toyota headquarters in 2000, began Lexus sales as well as Toyota sales. Lexus has 35 showrooms and eight product service centers. Toyota has 13 showrooms and 13 service centers, and has Toyota Camry, Prius, Sienna, Rav4, Corolla, Toyota86, and Venza product lines, while Lexus has six product lines. Last year (2011), Toyota's total sales volume was about 0.9% (9,000).

Ford Korea

Ford is implementing vigorous marketing activities in Korea, even though total sales were only 4,000 units last year. GM is well established in Korea; however, they have focused on sales networks rather than marketing activities. Ford is operating 10 showrooms and 10 service networks nationwide. Their product portfolio consists of Focus, Mustang, Taurus, Escape, and Explorer. Last year's sales amounted to a 0.4% market share (brand homepage and WARD's Automotive Yearbook 2012).

[Table 3]

Car Sales in Korea Market by Brands					
Source: WARD'S Automotive Yearbook					
	2008	2009	2010	2011	MS (%) (2011)
Total Cars sold in Kor.	802,324	957,366	1,031,940	1,030,630	
Hyundai	360,055	433,269	388,398	422,200	41.0%
Ssangyong	90,149	5,461	8,253	7,030	0.7%
Renault-S.	90,149	125,150	150,210	101,603	9.9%
Ford	4,678	4,681	4,018	4,184	0.4%
BMW	9,536	11,073	19,018	27,575	2.7%
Mercedes-Benz	7,237	8,919	16,129	19,452	1.9%
Volkswagen	9,983	13,263	7,920	12,436	1.2%
Toyota	6,065	7,072	10,486	9,131	0.9%
TTL Selected Brands	577,852	608,888	604,432	603,611	

*2008 Volkswagen includes Audi and Bentley.

Chapter 5 Research Findings

5.1. Message Classification and Analysis

This research aimed to understand the focuses of Facebook marketing, especially Facebook messages, of eight automakers in the Korean market. Are there any big differences, if any, between automobile brands in utilizing of Facebook? The study was based on online Facebook message gathering and analysis. Twenty Facebook messages for each brand were extracted and analyzed from the eight automakers that are eagerly rolling out marketing presence in Facebook for the Korean market.

The time period of the message collection began on 15 October, 2012 and moved back from there. Automobile brands are purposely allocated by the origin of country. Hyundai, Renart-Samsung, Ssnagyong, BMW, Mercedes-Benz, Volkswagen, Toyota and Ford were selected. Their communication messages in Facebook pages were collected from 15 October with time-reverse order from there. Result of the first classification found six frequently-encountered marketing concepts: 1) new product launch and introduce a car name, 2) technological superiority or new technology introduction, 3) advertising or general brand-related messages, 4) seasonal dialogue or checkup service message, 5) daily life conversation, and 6) entertainment event with music or movie etc.

The following table 4 depicts the marketing messages in Facebook for the Korean car market and their first classification based on marketing norms. Most of the 160

collected messages are quite distinct. For the next step, those six categories are classified again to Aaker's four brand equities: brand awareness, brand loyalty, perceived quality, and brand-associated image.

[Table 4] Message Classification

Brand	Activity type	Interactive way	One-way
Hyundai	Extrinsic Event(music, dance, movies etc)	7	1
	Newcar /new tech. launch	2	
	Advertising related/brand related		1
	Seasonal comment		3
	Reinforcece loyalty		1
	Daily life talk	2	2
	Non-branded general information		1
Renalt-Samsung	Extrinsic Event(music, dance, movies etc)	4	
	Newcar /new tech. launch	4	
	Advertising related/brand related		
	Seasonal comment	3	5
	Reinforcece loyalty		
	Daily life talk	2	2
	Non-branded general information		
Ssang-yong	Extrinsic Event(music, dance, movies etc)	2	2
	Newcar /new tech. launch	1	
	Advertising related/brand related		1
	Seasonal comment		4
	Reinforcece loyalty		2
	Daily life talk	5	3
	Non-branded general information		
BMW	Extrinsic Event(music, dance, movies etc)	3	1
	Newcar /new tech. launch	6	8
	Advertising related/brand related	1	
	Seasonal comment		
	Reinforcece loyalty		

Table 4 (continued)

	Daily life talk	1	
	Non-branded general information		
Mercede-Benz	Extrinsic Event(music, dance, movies etc)		
	Newcar /new tech. launch	2	2
	Advertising related/brand related	3	11
	Seasonal comment		
	Reinforcece loyalty		
	Daily life talk		2
	Non-branded general information		
Volks-wagen	Extrinsic Event(music, dance, movies etc)		
	Newcar /new tech. launch	3	6
	Advertising related/brand related	6	4
	Seasonal comment		
	Reinforcece loyalty		1
	Daily life talk		
	Non-branded general information		
Toyota	Extrinsic Event(music, dance, movies etc)	2	2
	Newcar /new tech. launch	2	5
	Advertising related/brand related	3	4
	Seasonal comment	1	
	Reinforcece loyalty		
	Daily life talk		1
	Non-branded general information		
Ford	Extrinsic Event(music, dance, movies etc)		
	Newcar /new tech. launch		
	Advertising related/brand related		20
	Seasonal comment		
	Reinforcece loyalty		
	Daily life talk		
	Non-branded general information		

5.2. Application of Four Brand Equity Categories

Following principles were used to classify the messages. Seasonal dialogues were mostly focused on car checkup services because Koreans would visit their hometown

when they have a thanksgiving day, and the Korean thanks giving day falls in the research period. The entertainment events were mostly not dominated by an individual brand such as BMW X1 series but by corporate brand name such as BMW, so those events were construed as reinforcing general brand image. When it comes to the mixed messages, even if there were few such messages, the message was scrutinized and went to the most-related brand equity category. In order to minimize the personal bias, four persons participated to classify. By these standards, the brand's messages on Facebook can be divided as shown in the table 6 and 7.

- 1) "New product launch and introduce a car name" is related to "brand awareness."
- 2) "Technological superiority or new technology introduction" are related to "perceived quality."
- 3) "Advertising or general brand related messages" are definitely related to "brand associated image."
- 4) "Seasonal dialogue or checkup service message" is related to "brand loyalty."
- 5) "Daily life conversation" is related with "brand loyalty."
- 6) "Entertainment event" is in the "brand image" category.

[Table 5] Frequency of the Categories by Each Brand

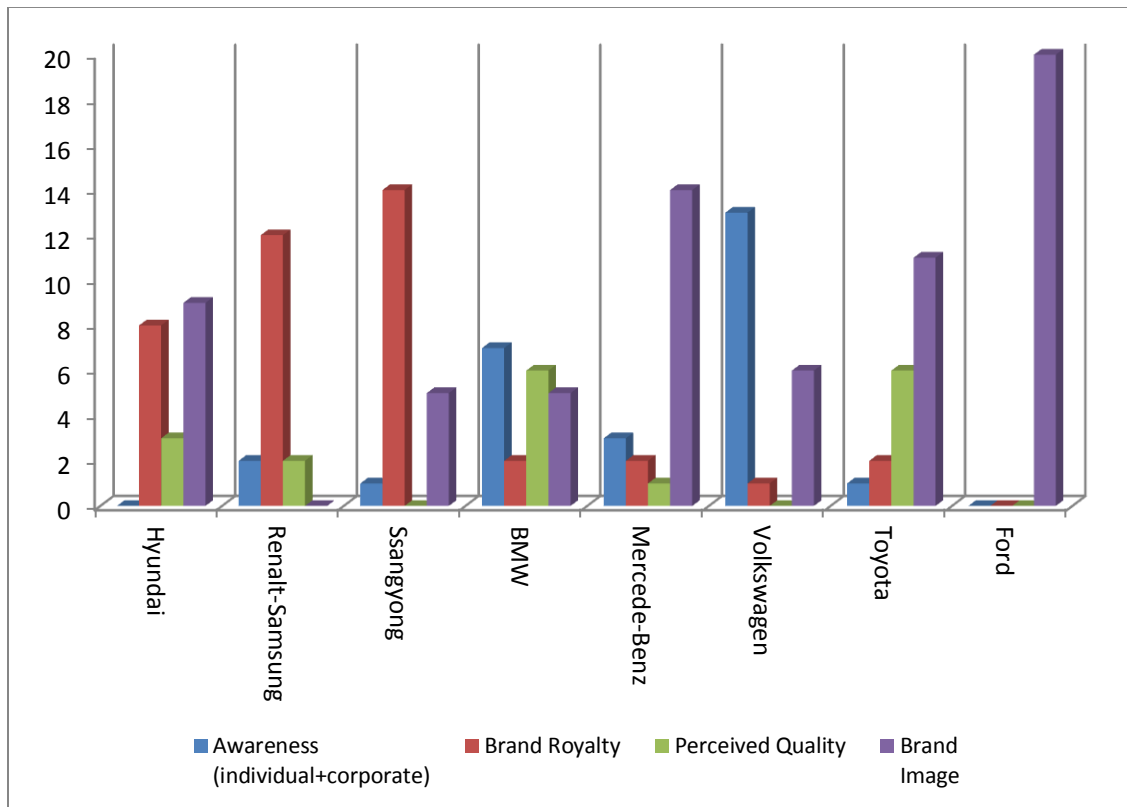
Brand	Awareness (individual+corporate)	Brand Loyalty	Perceived Quality	Brand Image
Hyundai	0	8	3	9
RenaltSamsung	2	12	2	0
Ssangyong	1	14	0	5
BMW	7	2	6	5
Mercede-Benz	3	2	1	14
Volkswagen	13	1	0	6
Toyota	1	2	6	11
Ford	0	0	0	20
TTL	27	41	18	70

[Table 6] Frequency of Each Brand by Each category

4 Equity	Brand	Frequency	Average
Brand Awareness	Hyundai	0	3.375
	Renalt-Samsung	2	
	Ssangyong	1	
	BMW	7	
	Mercede-Benz	3	
	Volkswagen	13	
	Toyota	1	
	Ford	0	
Brand Loyalty	Hyundai	8	7.125
	Renalt-Samsung	14	
	Ssangyong	7	
	BMW	8	
	Mercede-Benz	20	
	Volkswagen	0	
	Toyota	0	
	Ford	0	
Perceived Quality	Hyundai	3	2.25
	Renalt-Samsung	2	
	Ssangyong	0	
	BMW	6	
	Mercede-Benz	1	
	Volkswagen	0	
	Toyota	6	
	Ford	0	
Brand Associated Image	Hyundai	9	8.75
	Renalt-Samsung	0	
	Ssangyong	5	
	BMW	5	
	Mercede-Benz	14	
	Volkswagen	6	
	Toyota	11	
	Ford	20	

Table 7 shows that Korean local brands emphasized loyalty while the foreign brands did in relevant to brand image. There is no significant difference in other two categories.

[Table 7] Brands and Focus Categories



Chapter 6 Conclusion and Discussion

As discussed, the Korean domestic car market is defined by imported brands expanding their market shares and Hyundai and Kia losing their shares slowly and the other two Korean-local brands (Renault-Samsung and Ssangyong) sharply losing theirs. Reflecting this condition, each brand implements a somewhat different marketing strategy in Facebook. The three Korean-origin brands tried to maintain or increase “brand loyalty” by conveying resonant message such as daily life conversations or check-up service across the nation-wide repairing networks.

On the other hand, import brands are more focused on the brand-associated image category in general. Specifically, BMW puts weight on boosting individual brand awareness and new technologies with new individual brand launching. This is probably due to the nature of their brand portfolio, which is the most diversified brand portfolio amongst the imported brands. Toyota shows a similar strategy to BMW. However, Mercedes-Benz positively leveraged heritage from relatively the most legacy-opulent brand with the longest car development history instead of individual brand introduction or specific technology introduction.

Having an inferior brand name and user base, Ford tried to promote a positive brand experience by inviting some users and opinion leaders of the internet. Volkswagen conveys messages to a relatively young target market probably because their main individual brand, the New Beetle, targets younger people. Therefore, their marketing

activities take advantage of entertainment events, such as music festivals. However, the Volkswagen's events were generally more focused on general brand name.

Limitations of study: Analysis should be done with as many messages as possible to ensure validity; however, the research resource allows only 160 messages. Thus, findings are limited to stating that the brand and market share dynamics in the Korean domestic market are quite competitive. It is also very hard to say that what type of message is the best practice for Korean automotive market because quantitative analysis based on consumers attitude and/or behavior did not conducted. One good feature of this research is that we can see a snapshot of automobile brand marketing in the Korean market through Facebook messages. Second, a few big players— GM,—are missed because they are not eager to use Facebook. Finally, the research results are so distinctive as to allow ascertaining of differences without using statistic analysis software packages.

References

Article

Boyd, D. M. & Ellison, N. B. (2007), "Social Network Sites: Definition, History and Scholarship," *Journal of Computer-Mediated Communication*, 13(1), article 1.

Campbell, C, Pitt, L F., Parent, M & Berthon, P R. (2011), UNDERSTANDING CONSUMER CONVERSATIONS AROUND ADS IN A WEB 2.0 WORLD, *Journal of Advertising*, vol.40, no 1, p.87-102,

Carlsson (2010) Yearbook 2010 "New Questins, New Insights, New Approaches" Contributions to the Research Forum at the World Summit on Media for Children and Youth 2010 <http://www.crin.org/docs/Yearbook_2011.pdf#page=17>

Kaplan A. M. & Haenlein M. (2010), Users of the world, unite! The challenge and opportunities of Social Media, *Business Horizons*, vol.53, no.1, p.59-68,

Keller, K.L. (1993), Conceptualizing, measuring, and managing customer-based brand equity, *Journal of Marketing*, vol. 57, no.1, p.1-22,

Lampe, C., Ellison, N., & Steinfield, C. (2007, April), A familiar facebook: Profile elements as signals in an online social network. *Proceedings of the SIGCHI conference on human factors in computing systems*. San Jose, CA, p. 435–444.

Marketing Science Institute (1988), *Research Program 1988- 1990*. Cambridge, MA:Marketing Science Institute.

MachLachlan, D.L. and Micheal, J. Mulhern (1991), Measuring brand equity with conjoint analysis," Paper presented at Saw tooth Software Conference, Jan. 28-30, Sun Valley, Idaho

Powell, T.C(2006), Total Quality Management as Competitive Advanntage: A review and empirical study, *Strategic manageemnt journal*, 16 (1) p15-37

Roters, S and Thorson, E(2000), The Interactive Advertising Model: How Users Perceive and Process Online Ads, Journal of Interactive Advertising, 1 (1)

Turban, E., Leidner, D., McLean, E., and Wetherbe, J. (2008). Information Technology for Management; Transforming Organizations in the Digital Economy, John Wiley, Sons, Chichester, USA.

Zeithaml, V.A (1988) Consumers perception of price quality and value: A-means –end model and synthesis model
<<http://areas.kenanflagler.unc.edu/Marketing/FacultyStaff/zeithaml/>>

Books

Aaker, D. A. (1991) Managing Brand Equity: Capitalizing on the Value of a Brand. New York: The Free Press.

Aaker, D., A. (1996), Building Strong Brands, Simon & Schuster, NY, P 2-25

Falls, J. and Deckers, E. (2012), No bullshit Social Media, QUE , Indiana, p 179-190

Keller, L., K. (2008), Strategic Brand Management: Building, Measuring and Managing Brand Equity, Pearson Education Limited, England, P 33-50

Philip Kotler (2003), Marketing Insight from A to Z, John Wiley & sons, Pp. 8-20

Scott D.M. (2010), The New Rules of Marketing and PR: how to Use Social Media, Blogs, News Releases, online video, and Viral Marketing to Reach Buyers Directly. John Wiley & Sons, Inc: New Jersey, USA. P23-27, 38-54

Internet

“What is Web 2.0,” by Tim O’Reilly. Published on the O’Reilly website on September 30, 2005: <http://www.oreillynet.com/pub/a/oreilly/tim/news/2005/09/30/what-is-web-20.html>

Vega,T(n.d),”Ahead of I.P.P., G.M. to Quit Advertising on Facebook” from http://www.nytimes.com/2012/05/16/business/media/gm-to-quit-facebook-ad-campaign-worth-10-million-a-year.html?_r=0

Coutorture (n.d). “Front Row Fashion Bloggers at Dolce & Gabbana” from <http://www.fashionologie.com/Front-Row-Fashion-Bloggers-Dolce-Gabbana-5305772>

Kim, Y.S (n.d.). Citing Websites. Competition Heated in Luxury Sedan Segment. Retrieved Dec 1, 2012, from <http://nwww.koreaherald.com/view.php?ud=20120826000204>

“Koprean Automobile Industry 2012” by official annual report websited on Dec.1 2012 from http://www.kama.or.kr/eng/PS/K_eng_ps3.jsp

“Social Indicatros in 2011” from Korean governemt official web site <http://kostat.go.kr/portal/english/news/1/8/index.board?bmode=read&aSeq=254650>

“Market Share” of Imported car from <http://www.kaida.co.kr/Statistics/Request.jsp#>

“Social Media Report 2009,” official report from Nielson 2009, from http://blog.nielson.com/nielsenwire/wp-content/uploads/2009/03/nielsen_globalfaces_mar09.pdf<http://www.facebook.com>

Facebook Statistics by Continent from <http://www.socialbakers.com/countries/continents/>

Burson-Marsteller Asia-Pacific Social Media Study Reveals that Only 40% of Top Asian Companies Have a Branded Social Media Presence from <http://www.burson-marsteller.com/Newsroom/Lists/PressReleases/DispForm.aspx?ID=790>

<http://www.millwardbrown.com>

Hyundai company history from <http://www.hyundai.co.kr/hmg/web/kor/gri/hst/GroupHistory2012.do>

Renault-samsung company history from
<http://www.renaultsamsung.com/company/main.jsp>

Ssangyong company history from
<http://www.ssangyongcement.co.kr/default.html>

BMW Korea company history from
<http://www.bmw.co.kr>

Mercedes-Benz Korea company history from
http://www.mercedes-benz.co.kr/content/korea/mpc/mpc_korea_website/krng/home_mpc/passengercars.flash.html

Volkswagen Korea company history from
<http://m.volkswagen.co.kr/>

Toyota Korea company history from
<http://www.toyota.co.kr>

Ford Korea company history from
<http://www.ford-korea.com>